

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 EA-11 ISO-00 SSO-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 AID-20 EB-11 CIEP-02

TRSE-00 STR-08 OMB-01 CEA-02 COME-00 FRB-02 XMB-07

OPIC-12 LAB-06 SIL-01 DRC-01 /202 W

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O P 141650Z MAR 74

FM AMEMBASSY ROME

TO AMEMBASSY ACCRA IMMEDIATE

SECSTATE WASHDC PRIORITY 3730

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

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AMEMBASSY BRUSSELS

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E.O. 11652: N/A

TAGS: EAID, EFIN, PFOR, IBRD, GH

SUBJECT: GHANA DEBT: TEXT OF SIGNED AGRRED MINUTE

1. FOLLOWING IS TEXT OF AGREED MINUTE SIGNED BY
REPRESENTATIVES OF GOG AND WESTERN CREDITORS AT ROME
MARCH 13. ANALYSIS AND COMMENTS BEING REPORTED
SEPTEL. GHANAIA DELEGATES DID NOT SAY IF GOG
PLANS PUBLICATION, BUT CREDITOR REPRESENTATIVES
AGREED AMONG THEMSELVES TEXT WOULD BE PUBLIC DOCU-
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MENT.

2. BEGIN QUOTE

AGREED MINUTE ON THE REPAYMENT OF THE MEDIUM-TERM DEBT OF
THE GOVERNMENT OF GHANA AND OTHERS RESIDENT IN GHANA

PREAMBLE

(I) REPRESENTATIVES OF THE GOVERNMENTS OF BELGIUM,
FRANCE, THE FEDERAL REPUBLIC OF GERMANY, ITALY, JAPAN,
THE NETHERLANDS, NORWAY, THE UNITED KINGDOM AND THE
USA ("THE CREDITOR COUNTRIES") MET REPRESENTATIVES OF
THE GOVERNMENT OF GHANA IN ACCRA FROM 11 TO 18 DECEMBER
1973 AND IN ROME FROM 11 TO 13 MARCH 1974 TO SEEK A
SOLUTION TO GHANA'S EXTERNAL DEBT PROBLEMS.

REPRESENTATIVES OF THE GOVERNMENTS OF DENMARK AND
SWITZERLAND ATTENDED AS OBSERVERS. REPRESENTATIVES OF
THE IBRD AND IMF WERE ALSO PRESENT.

SECTION I DEBT TO BE RESCHEDULED

(I) THE RESCHEDULING ARRANGEMENTS SET OUT IN SECTION II
BELOW SHAL APPLY TO:

(A) ALL PRINCIPAL AND CONTRACTUAL INTEREST PAY-
MENTS DUE AFTER 31 JANUARY 1972 IN ACCORDANCE WITH THE
AGREED MINUTES OF THE 1966, 1968 AND 1970 DEBT CONFER-
ENCES AND ORIGINATING FROM MEDIUM-TERM CONTRACTS TO WHICH
THOSE AGREED MINUTES RELATE; AND

(B) ALL PRINCIPAL AND CONTRACTUAL INTEREST PAY-
MENTS DUE AFTER 30 JUNE 1972 UNDER MEDIUM-TERM CON-
TRACTS TO WHICH THOSE AGREED MINUTES RELATE WHICH FELL
DUE UNDER THOSE CONTRACTS AFTER 30 JUNE 1972 AND WHICH
HAVE NOT BEEN PREVIOUSLY RESCHEDULED; AND

(C) INTEREST AT THE RATE OF 2 1/2 PERCENT PER ANNUM ON
ALL THE PAYMENTS REFERRED TO UNDER HEAD (A) ABOVE IN
RESPECT OF THE PERIOD BEGINNING ON 1 FEBRUARY 1972 AND
ENDING ON 30 JUNE 1972.

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(II) THE PAYMENTS REFERRED TO UNDER HEADS (A) AND (B)
OF PARAGRAPH (I) OF THIS SECTION ARE IN RESPECT OF
CREDITS AND LOANS TO THE GOVERNMENT OF GHANA OR TO
PERSONS OR CORPORATIONS RESIDENT OR CARRYING ON
BUSINESS IN GHANA:

(A) ARISING UNDER OR RELATING TO CONTRACTS
CONCLUDED BEFORE 24 FEBRUARY 1966 FOR THE SUPPLY OF

GOODS OR SERVICES, OR BOTH, FROM OUTSIDE GHANA; AND

(B) PROVIDED OR INSURED BY THE GOVERNMENTS OR
COMPETENT INSTITUTIONS OF THE CREDITOR COUNTRIES; AND

(C) WITH AN ORIGINAL MATURITY EXCEEDING ONE YEAR
BUT NOT EXCEEDING 12 YEARS.

(III) WHERE, HOWEVER, THE TOTAL OF THE PAYMENTS
REFERRED TO IN PARAGRAPH (I) DUE TO THE GOVERNMENT OF,
AND PERSONS OR CORPORATIONS RESIDENT IN, OR CARRYING
ON BUSINESS IN, ANY ONE CREDITOR COUNTRY AMOUNTS TO
LESS THAN US\$1.5 MILLION SUCH PAYMENTS WILL FOR ADMIN-
ISTRATIVE AND TECHNICAL REASONS BE EXCEPTED FROM THE
PROVISIONS IN SECTION II. SUCH PAYMENTS WILL BE TRANS-
FERRED FORTHWITH UNLESS OTHERWISE AGREED BETWEEN THE
GOVERNMENTS OF GHANA AND THE CREDITOR COUNTRY CONCERNED.

(IV) MORATORIUM INTEREST ACCRUING IN ACCORDANCE WITH THE
AGREED MINUTES OF THE 1966, 1968 AND 1970 DEBT CONFERENCES
WILL CEASE TO BE PAYABLE AFTER 31 JANUARY 1972, EXCEPT
AS MAY BE AGREED IN CASES TO WHICH PARAGRAPH (III) OF
THIS SECTION APPLIES.

SECTION II RESCHEDULING ARRANGEMENTS

(I) THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA
STATED THAT THEIR GOVERNMENT WOULD, EXCEPT AS PROVIDED
IN SECTION I(III), TRANSFER TO THE CREDITOR COUNTRY
CONCERNED THE AMOUNTS OF THE PAYMENTS AND INTEREST
REFERRED TO IN SECTION I(I) IN 36 EQUAL AND CONSECUTIVE
INSTALLMENTS COMMENCING ON 1 JANUARY 1983.

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(II) THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA
FURTHER STATED THAT THEIR GOVERNMENT WOULD TRANSFER TO
THE CREDITOR COUNTRY CONCERNED INTEREST AT THE RATE OF
2-1/2 PERCENT PER ANNUM FROM 1 JULY 1972 ON THE AMOUNTS
REFERRED TO IN PARAGRAPH (I) OF THIS SECTION, TO THE
EXTENT THAT THEY HAVE NOT BEEN TRANSFERRED TO THE
CREDITOR COUNTRY CONCERNED, AS FOLLOWS:

(A) THE INTEREST ACCRUING BETWEEN 1 JULY 1972 AND
30 JUNE 1974, BOTH DATES INCLUSIVE, WOULD BE TRANSFERRED
IN 5 EQUAL AND CONSECUTIVE HALF-YEARLY INSTALLMENTS
COMMENCING ON 31 DECEMBER 1974.

(B) THE INTEREST ACCRUING AFTER 30 JUNE 1974
WOULD BE TRANSFERRED IN CONSECUTIVE HALF-YEARLY

INSTALMENTS COMMENCING ON 31 DECEMBER 1974.

SECTION III NON-DISCRIMINATION CLAUSES

THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA STATED THAT THEIR GOVERNMENT WOULD UNDERTAKE THAT IF AT ANY TIME TERMS WHICH WERE MORE FAVOURABLE THAN THOSE SPECIFIED IN SECTION II WERE ACCORDED (EXCEPT AS PROVIDED FOR IN SECTION I(III)) IN RELATION TO CREDITS OR LOANS OF THE KIND REFERRED TO IN SECTION I, WHETHER OR NOT PROVIDED BY THE CREDITOR COUNTRIES OR BY CREDITORS RESIDENT IN OR CARRYING ON BUSINESS IN THOSE COUNTRIES, TERMS NO LESS FAVOURABLE WOULD FORTHWITH BE ACCORDED TO THE CREDITOR COUNTRIES OR TO PERSONS OR ORGANISATIONS RESIDENT IN OR CARRYING ON BUSINESS IN THOSE COUNTRIES: THE GOVERNMENT OF GHANA WOULD FURTHERMORE PROMPTLY INFORM THE CREDITOR COUNTRIES OF THE TERMS ACCORDED TO ANY OTHER CREDITOR OR CREDITOR COUNTRY.

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SECTION IV PRESERVATION OF RIGHTS AND OBLIGATIONS

THE REPRESENTATIVES OF THE CREDITOR COUNTRIES AND THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA STATED THAT NOTHING IN THIS AGREED MINUTE OR IN THE BILATERAL AGREEMENTS AND OTHER ARRANGEMENTS ENVISAGED IN SECTION VI WOULD AFFECT THE RIGHTS AND OBLIGATIONS OF CREDITORS, DEBTORS AND GUARANTORS UNDER OR IN RELATION TO CONTRACTS REFERRED TO IN THE AGREED MINUTES OF 1966, 1968 AND 1970.

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SECTION V MISCELLANEOUS PROVISIONS

(I) THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA STATED THAT THEIR GOVERNMENT WOULD TRANSFER FORTHWITH ALL PAYMENTS DUE UP TO AND INCLUDING 31 JANUARY 1972 AND ALL MORATORIUM INTEREST ACCRUING UP TO THAT DATE IN ACCORDANCE WITH THE AGREED MINUTES OF THE 1966, 1968 AND 1970 DEBT CONFERENCES AND ORIGINATING FROM MEDIUM-TERM CONTRACTS TO WHICH THOSE AGREED MINUTES RELATE, WHETHER OR NOT A BILATERAL AGREEMENT HAD BEEN CONCLUDED;

(II) THE REPRESENTATIVES OF THE CREDITOR COUNTRIES STATED THAT THEY WOULD MAKE AVAILABLE TO THE GOVERNMENT OF GHANA BY 31 MARCH 1974 LISTS OF THE MEDIUM-TERM CONTRACTS MADE BEFORE 24 FEBRUARY 1966 TO WHICH THIS AGREED MINUTE RELATES AND AS SOON AS POSSIBLE, TO THE EXTENT THAT THEY ARE ABLE TO DO SO, DOCUMENTARY EVIDENCE OF THOSE CONTRACTS OR OF ANY NEGOTIABLE INSTRUMENTS GIVEN IN CONNECTION WITH THOSE CONTRACTS.

SECTION VI IMPLEMENTATION

(I) THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA STATED THAT THEY WOULD RECOMMEND TO THEIR GOVERNMENT THAT IT SHOULD TAKE ALL NECESSARY ACTION TO GIVE EFFECT TO THIS AGREED MINUTE, IN PARTICULAR THEY WERE WILLING TO RECOMMEND TO THEIR GOVERNMENT THAT IT SHOULD ENTER INTO BILATERAL NEGOTIATIONS WITH THE GOVERNMENTS OF

THE CREDITOR COUNTRIES, OR THE COMPETENT INSTITUTIONS OR AGENCIES, WITH A VIEW TO IMPLEMENTING THIS AGREED MINUTE BY MEANS OF FORMAL AGREEMENTS OR, AT THE OPTION OF THE CREDITOR COUNTRY CONCERNED, BY MEANS OF OTHER ARRANGEMENTS. SUCH AGREEMENTS OR ARRANGEMENTS WOULD INCLUDE ALL NECESSARY CONSEQUENTIAL PROVISIONS, INCLUDING PROVISIONS FOR THEIR TECHNICAL APPLICATION.

(II) THE REPRESENTATIVES OF THE CREDITOR COUNTRIES STATED THAT THEY TOO WOULD RECOMMEND TO THEIR GOVERNMENTS THAT THEY SHOULD ENTER INTO BILATERAL LIMITED OFFICIAL USE

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NEGOTIATIONS WITH THE GOVERNMENT OF GHANA ON THE BASIS OF THIS AGREED MINUTE.

(III) THESE NEGOTIATIONS WOULD BEGIN AS SOON AS POSSIBLE AFTER 31 AUGUST 1974 PROVIDED:

(A) THAT BY 30 JUNE 1974 THE GOVERNMENT OF GHANA HAS INDICATED WHICH OF THE CONTRACTS MADE BEFORE 24 FEBRUARY 1966 AND THE NEGOTIABLE INSTRUMENTS GIVEN IN CONNECTION THEREWITH THEY DO NOT ACCEPT AS VALID: IT BEING UNDERSTOOD THAT THE GOVERNMENT OF GHANA WILL BE DEEMED TO HAVE ACCEPTED THE VALIDITY OF ALL CONTRACTS AND OF ALL NEGOTIABLE INSTRUMENTS GIVEN IN CONNECTION THEREWITH WHICH HAVE NOT BEEN CHALLENGED BY 30 JUNE 1974 PROVIDED THAT SUCH ACCEPTANCE OF VALIDITY WILL NOT PRECLUDE THE GOVERNMENT OF GHANA FROM QUESTIONING THE PERFORMANCE OF SUCH CONTRACTS AND THE AMOUNT OF ANY CLAIMS RELATING THERETO: AND

(B) THAT BY 31 AUGUST 1974 THE CREDITOR COUNTRIES HAVE NOT NOTIFIED THE GOVERNMENT OF GHANA THAT THE TOTAL OF THE DEBT OUTSTANDING ON THE CONTRACTS CHALLENGED BY THE GOVERNMENT OF GHANA IS SUCH AS TO CALL IN QUESTION THE RESCHEDULING ARRANGEMENTS SPECIFIED IN SECTION II OF THIS AGREED MINUTE.

SECTION VII DISPUTES

THE REPRESENTATIVES OF THE CREDITOR COUNTRIES AND THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA STATED THAT:

(I) ANY DISPUTE AS TO THE VALIDITY OF ANY CONTRACT TO WHICH THIS AGREED MINUTE RELATES (INCLUDING ANY CONTRACT ALREADY CHALLENGED) OR ARISING OUT OF OR IN RELATION TO ANY SUCH CONTRACT (INCLUDING THE PERFORMANCE THEREOF), OR IN RELATION TO ANY NEGOTIABLE INSTRUMENT GIVEN IN CONNECTION WITH ANY SUCH CONTRACT, WILL BE RESOLVED:

(A) BY ANY APPROPRIATE PROCEDURES LAID DOWN IN
THAT CONTRACT FOR THE RESOLUTION OF SUCH DISPUTES; AND

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(B) BY SUCH OTHER MEANS AS THE PARTIES TO THE
DISPUTE MAY AGREE.

PROVIDED THAT, IF THE DISPUTE IS NOT RESOLVED IN
ACCORDANCE WITH THE FOREGOING PROVISIONS OF THIS
PARAGRAPH, NOTHING SHALL PRECLUDE THE PARTIES TO
SUCH A DISPUTE FROM SEEKING SUCH REMEDIES AS ARE
AVAILABLE TO THEM IN ANY COMPETENT COURT OF LAW.

(II) ANY SUMS DETERMINED, AS A RESULT OF THE RESOLUTION
OF A DISPUTE IN ACCORDANCE WITH PARAGRAPH (I) OF THIS
SECTION, TO BE DUE TO ANY OF THE CREDITOR COUNTRIES, OR
TO ANY PERSON OR CORPORATION RESIDENT IN OR CARRYING
ON BUSINESS IN ANY OF THE CREDITOR COUNTRIES, WILL BE
PAID TO THEM AFTER THE DISPUTE HAS BEEN SO RESOLVED
AND ON TERMS NO LESS FAVOURABLE THAN THOSE SPECIFIED
IN SECTION II.

SECTION VIII

THE REPRESENTATIVES OF THE GOVERNMENT OF GHANA AND OF
THE CREDITOR COUNTRIES HEREBY AGREE THAT THE FOREGOING
IS A CORRECT RECORD.

/SIGNED/ /SIGNED/
MARTIN LEQUESNE ASHLEY-LASSEN, BRIGADIER

ON BEHALF OF THE ON BEHALF OF THE
CREDITOR COUNTRIES GOVERNMENT OF GHANA

ROME 13TH MARCH 1974. END QUOTE. VOLPE

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Message Attributes

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